



Revenue Estimates

Dear Reader:

The following document was created from the MTAS website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website is maintained daily by MTAS staff and seeks to represent the most current information regarding issues relative to Tennessee municipal government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

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Table of Contents

Revenue Estimates	3
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Revenue Estimates

Reference Number: MTAS-1799

What we have here is a failure to accumulate.

Jim Varney, Ernest Saves Christmas, 1988

Revenue Estimation

Estimating revenue may seem like a daunting task, but it's really not. It doesn't require a degree in rocket science to be able to arrive at sound, logical figures. It's really just using averages and common sense.

The governmental funds list of revenues includes the revenue class (local taxes, licenses and permits, intergovernmental, etc.), the fund (general, state street aid, etc.), account number, a description, any related authorizing state statutes, restrictions, the current rate if it applies, the timing of the payment, if late fees can be assessed, where the money comes from (taxpayers, businesses, the state, etc.), how the money is collected, and any use restrictions. This list is a great tool to help you learn the "who, what, when, where, and how" of each revenue source.

Assuming that you now know all the revenues you need to estimate, where do you begin? Let's start in the governmental funds with the local tax class. This typically is the largest of the revenue classes, and it includes real property taxes, personal property taxes, public utility property taxes, property taxes from prior years, property tax penalties and interest, payments in-lieu-of taxes from electric utilities and industry, local option sales taxes from the city and county, wholesale beer taxes, wholesale liquor taxes, mixed drink taxes, minimum business taxes, natural gas franchise taxes, special assessments, room occupancy (hotel/motel) taxes, and cable TV franchise taxes.

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